

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on February 7, 2003 at 8:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Jim Keane, Vice Chairman (D)  
Rep. Donald Steinbeisser, Vice Chairman (R)  
Rep. Bob Bergren (D)  
Rep. Rod Bitney (R)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Ray Hawk (R)  
Rep. Bob Lawson (R)  
Rep. Rick Maedje (R)  
Rep. Gary Matthews (D)  
Rep. Scott Mendenhall (R)  
Rep. Allen Rome (R)  
Rep. Sandy Weiss (D)  
Rep. Bill Wilson (D)

**Members Excused:** Rep. Penny Morgan (R)

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Branch  
Pamela Schindler, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp for these minutes appears at the end of the content it refers to.

##### **Committee Business Summary:**

Hearing & Date Posted:	HB 507, HB 504, HB 473, 2/3/2003
Executive Action:	HB 507-Do Pass, HB 384-Do Pass As Amended, HB 488-Tabled, HB 472-Tabled, HB 504 Tabled

**HEARING ON HB 507**

**Sponsor:** REP. JOHN BRUEGGEMAN, HD 74, Polson, Montana

**Opening Statement by Sponsor:**

REP. BRUEGGEMAN opened the hearing on HB 507. He stated that this is a simple bill; it will change one word in the statute from "shall" to "may" with respect to adopting rules for child labor standards.

***{Tape: 1; Side: A; Approx. Time Counter: 30 - 51}***

**Proponents' Testimony:**

Jerry Keck, Montana Department of Labor, stated that this change will bring the statute in compliance with the audit recommendations.

***{Tape: 1; Side: A; Approx. Time Counter: 51 - 61}***

Don Judge, Teamsters Local 190, informed the Committee that in 1993 when this law was passed, he knew that federal regulations were going to be incorporated in Montana. Mr. Judge supports this bill.

***{Tape: 1; Side: A; Approx. Time Counter: 61 - 70}***

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

REP. BRUEGGEMAN closed the hearing on HB 507.

***{Tape: 1; Side: A; Approx. Time Counter: 70 - 83}***

REP. GALLIK informed the Committee that his cell phone is on due to a conference call he expected from Spokane. He then apologized to the Committee.

***{Tape: 1; Side: A; Approx. Time Counter: 83 - 98}***

**HEARING ON HB 473**

**Sponsor:** REP. MICHAEL LANGE, HD 19, Billings, Montana

**Opening Statement by Sponsor:**

REP. LANGE opened the hearing on HB 473 by stating that this bill would address a different option in awarding public contracts. Previously the bids were awarded on the basis of which company had the lowest bid. REP. LANGE informed the Committee that this is not always the most ideal way to award contracts.

***{Tape: 1; Side: A; Approx. Time Counter: 98 - 146}***

**Proponents' Testimony:**

Bob Pavlovich, IBEW #233, informed the Committee that he concurred with this bill.

***{Tape: 1; Side: A; Approx. Time Counter: 146 - 155}***

**Opponents' Testimony:**

Cory Hegreberg, Montana Contractor's Association, stated that he was a "somewhat reluctant" opponent to the bill. He stated that the industry he represents does not feel the State is ready to embark on this process. In the public entity, contracts are awarded on the basis of a low bid; an advertisement is put out, specifications, plans and the contractors compete on the bid. A bond must be posted and the low bidder is awarded the job. In the private sector the lowest bidder is not always awarded the contract.

In the public sector, there needs to be an objective, fair and equitable system that guarantees taxpayers the most "bang for their buck."

***{Tape: 1; Side: A; Approx. Time Counter: 155 - 262}***

**Informational Testimony:**

Russ Katherman, Montana Department of Administration, informed the Committee he would be here to answer any questions.

***{Tape: 1; Side: A; Approx. Time Counter: 262 - 272}***

**Questions from Committee Members and Responses:**

**REP. KEANE** referred to line 24 of the bill which pertains to the wages paid to a contractor and if the "prevailing wage" criteria was being met. **John Andrew, Montana Department of Labor** responded to the question and stated that a public works project has to be a construction or service contract that exceeds \$25,000. So, if the parameters of a public works project were met, the employees would have to be paid the "scale" wages.

**REP. GALLIK** asked several questions of the sponsor addressing the fiscal impact. **REP. LANGE** answered the questions and related to the Committee a story about a bid awarded to an out-of-state contractor and that the objective wasn't met which required the State to pay additionally \$2.6 million.

**{Tape: 1; Side: A; Approx. Time Counter: 272 - 476}**

**Closing by Sponsor:**

**REP. LANGE** concluded the hearing on HB 473 by stating that the State needs to conduct its projects "like a business." If this bill would have been enacted two years ago, the State would not have had to pay the additional \$2.6 million.

**{Tape: 1; Side: A; Approx. Time Counter: 476 - 500}**

**{Tape: 1; Side: B; Approx. Time Counter: 0 - 23}**

**HEARING ON HB 504**

**Sponsor:** **REP. FRANK SMITH, HD 98, Poplar, Montana**

**Opening Statement by Sponsor:**

**REP. SMITH** opened the hearing on HB 504 by saying that this bill has conflicts. He referred to page 2, line 8 and 9, page 9, lines 15-21, and 25, and also page 10, line 10.

**Proponents' Testimony:** None

**Opponents' Testimony:**

**Barry Stang, Montana Motor Carriers Association**, informed the Committee he represents 800 trucking companies and is opposed to this bill. Mr. Stang read an article from the "Billings Gazette" that was about a family who had a fraud perpetrated upon them by a Florida moving company.

This fraud could happen more often if this bill were to move the regulating power from the PSC to the DOJ.

**EXHIBIT (buh27a01)**

*{Tape: 1; Side: B; Approx. Time Counter: 23 - 122}*

**Tom McGree, McGree Trucking**, informed the Committee that his company has been in business for 55 years. They are a garbage hauling business under the PSC's supervision. He opposed this bill and stated this bill could jeopardize the health of citizens if this type of business is deregulated.

**EXHIBIT (buh27a02)**

*{Tape: 1; Side: B; Approx. Time Counter: 122 - 166}*

**SEN. GRIMES, SD 20, Clancy, Montana**, spoke in opposition to this bill. He informed the Committee about his taxi cab business in Helena that he owns, the taxes he pays, the insurance he pays and the regulations that his company must abide by.

**EXHIBIT (buh27a03)**

**EXHIBIT (buh27a04)**

**EXHIBIT (buh27a05)**

**EXHIBIT (buh27a06)**

**EXHIBIT (buh27a07)**

**EXHIBIT (buh27a08)**

**EXHIBIT (buh27a09)**

**EXHIBIT (buh27a10)**

**EXHIBIT (buh27a11)**

*{Tape: 1; Side: B; Approx. Time Counter: 166 - 260}*

**Terry Archimault, T & R Trucking**, spoke in opposition to this bill. He owns a garbage hauling business and the regulations guarantee that customers receive service at reasonable rates, his trucks are maintained to a high standard and that there are health issues pertaining to noncompliance issues.

*{Tape: 1; Side: B; Approx. Time Counter: 260 - 312}*

**Dan Wirak, Mergenthaler's Transfer and Storage**, informed the Committee that his company provides very good jobs with the salaries, benefits, medical insurance and 401k plans all being provided by his company.

*{Tape: 1; Side: B; Approx. Time Counter: 312 - 326}*

**Paul Lindstrom, Moving company**, referred to the recent "60 Minutes" expose' that featured a Billings family and the problems they had with an unregulated moving company. He further stated the public needs the "oversight" of the PSC.

**{Tape: 1; Side: B; Approx. Time Counter: 326 - 407}**

**Tom Daubert, Montana Waste Systems**, raised the issue of potential health hazards if this bill were to go through. He further stated that this bill is ill-conceived.

**{Tape: 1; Side: B; Approx. Time Counter: 407 - 478}**

**Mike Marxer, Merganthaler's**, informed the Committee that the same rates are charged for intra-state moves. His company also offers coverage for loss and damage.

**EXHIBIT (buh27a12)**

**{Tape: 1; Side: B; Approx. Time Counter: 478 - 500}**

**Kelly McCann, Montana Transfer and Wholesalers Association**, opposed this bill. He stated that this is a small family business with only 12 employees. The rates are regulated by the PSC and being able to have a stable rate structure has enabled this company to provide quality service.

**{Tape: 2; Side: A; Approx. Time Counter: 0 - 36}**

**Donna Tenneson, City County Sanitation Service**, informed the Committee that this company has been in business since 1966 with 15 employees. Their client base is 800 commercial businesses and 4,000 private clients. Ms. Tenneson is concerned that illegal dumping may occur if this deregulation should happen.

**{Tape: 2; Side: A; Approx. Time Counter: 36 - 64}**

**Haley Beaudry, Montana Solid Waste Contractor's Association**, stated to the Committee that she understood why this bill was brought forward; she opined that the "policing" was not taking place.

**{Tape: 2; Side: A; Approx. Time Counter: 64 - 101}**

**Blake Louthian, Cyr Transfer of Great Falls**, informed the Committee that his company has been in business since 1896 and he feels that the customer will suffer the most if this bill passes.

*{Tape: 2; Side: A; Approx. Time Counter: 101 - 112}*

**Informational Testimony:**

**Col. Shawn Driscoll, Montana Highway Patrol**, stated to the Committee that his department would need to hire at least one full-time employee to process the insurance data base. Col. Driscoll also stated he would like to review a Fiscal Note.

*{Tape: 2; Side: A; Approx. Time Counter: 112 - 135}*

**Matt Brainard, Public Service Commissioner, District 4**, will be here for any questions the Committee may need answered.

*{Tape: 2; Side: A; Approx. Time Counter: 135 - 139}*

**June Hermanson, Montanans with Disabilities for Equal Access**, stated to the Committee that there are 145,732 Montanans with disabilities or 17.5% of the population. The unemployment rate among these Montanans is 75%; due to the inaccessibility of transportation to go from home to their employment. She stated that there is no regular public transportation and "we are transportation dependent."

*{Tape: 2; Side: A; Approx. Time Counter: 139 - 195}*

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

**REP. SMITH** closed the hearing on HB 504 by stating that North Dakota has deregulated their limousine service and that it is directly effecting his own business.

*{Tape: 2; Side: A; Approx. Time Counter: 195 - 254}*

During this time, **CHAIRMAN MCKENNEY** and the Committee discussed HB 205 and that it will be going to a Sub-Committee.

*{Tape: 2; Side: A; Approx. Time Counter: 254 - 307}*

**EXECUTIVE ACTION ON HB 507**

**Motion/Vote:** **REP. BOOKOUT-REINICKE** moved that **HB 507 DO PASS**. Motion carried unanimously. (voice vote)

*{Tape: 2; Side: A; Approx. Time Counter: 307 - 322}*

**EXECUTIVE ACTION ON HB 384**

**Motion:** REP. MCKENNEY moved that HB 384 DO PASS.

**Motion:** REP. MCKENNEY moved that HB 384 BE AMENDED.

**EXHIBIT** (buh27a13)

**Discussion:**

Bart Campbell, Legislative Staffer, explained the amendments by referring to the Title, line 8, page 1, line 24, page 1, line 34, page 1, line 27, page 2, line 1, page 2, line 14, page 2 line 16, and page, 4 line 28 through page, 5 line 6.

**Vote:** Motion that HB 384 BE AMENDED carried unanimously.  
(voice vote)

**Motion:** REP. MCKENNEY moved that HB384 DO PASS AS AMENDED.

**Discussion:**

REP. LAWSON stated that this is a "great bill." REP. MCKENNEY stated that this is a demonstration project. The Insurance Commissioner may approve a 12-month "sunset" each year for a total project time of five years. REP. GALLIK stated that the insurance business has needed to "be more creative."

**Vote:** Motion that HB 384 DO PASS AS AMENDED carried unanimously.  
(voice vote)

*{Tape: 2; Side: A; Approx. Time Counter: 322 - 500}*

*{Tape: 2; Side: B; Approx. Time Counter: 0 - 21}*

**EXECUTIVE ACTION ON HB 488**

**Motion:** REP. LAWSON moved that HB 488 DO PASS.

**Discussion:**

REP. GALLIK referred to page 2 line 8 and whether a person with an AA degree could be licensed as a drug/alcohol counselor. He further stated that there should not be limitations in the number of counselors due to this factor. REP. BOOKOUT-REINECKE agreed with him.



REP. RICE-FRITZ then proceeded to question Ms. Reichen-Boch about the curriculum needed and provided to drug/alcohol counselors.

**EXHIBIT** (buh27a14)

Vote: Motion that HB488 DO PASS failed 0-18.

Substitute Motion/Vote: REP. MCKENNEY made a substitute motion that HB488 BE TABLED. Substitute motion carried 18-0.

*{Tape: 2; Side: B; Approx. Time Counter: 21 - 204}*

EXECUTIVE ACTION ON HB 472

Motion: REP. KEANE moved that HB 472 DO PASS.

Motion: REP. BOOKOUT-REINICKE moved that HB 472 BE AMENDED.

**EXHIBIT** (buh27a15)

Discussion:

REP. BOOKOUT-REINICKE referred to amendment page 1, line 18 and page 1, line 10.

Vote: Motion that HB 472 BE AMENDED carried 17-1 with REP. BERGREN voting no. (voice vote)

Motion: REP. KEANE moved that HB 472 DO PASS AS AMENDED.

Motion/Vote: REP. MENDENHALL moved that HB 472 BE TABLED. Motion carried 11-7 with REPS. BERGREN, BOOKOUT-REINICKE, RICE-FRITZ, GALVIN-HALCRO, KEANE, WEISS, and WILSON voting no. (roll call vote)

*{Tape: 2; Side: B; Approx. Time Counter: 204 - 282}*

EXECUTIVE ACTION ON HB 504

Motion: REP. LAWSON moved that HB 504 DO PASS.

Motion/Vote: REP. LAWSON moved that HB 504 BE TABLED. Motion carried unanimously. (voice vote)

*{Tape: 2; Side: B; Approx. Time Counter: 282 - 311}*

**ADJOURNMENT**

Adjournment: 10:17 A.M.

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REP. JOE MCKENNEY, Chairman

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PAMELA SCHINDLER, Secretary

JM/PS

**EXHIBIT** (buh27aad)